

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 31 1997

Mark Rauch  
President  
Key West Pipeline Company  
Pipeline & Terminal Management Corporation  
Post Office Box 4875  
Houston, Texas 77210-4875

CPF No. 27605-M

Dear Mr Rauch:

On 16 July 1997 Mr. Mike Shwarzkopf, a representative of the Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your records at Key West, Florida.

As a result of a review of your operating and maintenance manual, the requirements for which are set forth in section 195.402(c), the following inadequate procedures were noted:

1. **§195.402(d) requires that your operating and maintenance manual include procedures for responding to, investigating, and correcting abnormal operating conditions and provide safety when operating design limits have been exceeded.**

Your Standard Operating Procedures and Maintenance Manual for Jet Fuel Pipeline Operations is inadequate in that it does not include procedures for abnormal operations per §195.402(d), specifically §195.402(d)(1) responding to, investigating, and correcting the cause of: (I) unintended closure of valves or shutdowns, (ii) increase or decrease in pressure or flow rate outside normal operating limits, (iv) operation of any safety device, (v) any other malfunction of a component, deviation from normal operation, or personnel error which could cause a hazard to persons or property; (2) checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation; (3) correcting variations from normal operation of pressure and flow equipment and controls; and (5) periodically reviewing the response of

operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found. We propose that Key West Pipeline Company establish written procedures covering the requirements in §195.402(d).

2. **§195.416(a) requires the operator to conduct tests on each buried pipeline, in contact with the ground, or submerged pipeline facility in its pipeline system that is under cathodic protection to determine whether the protection is adequate.**

Your Standard Operating Procedures and Maintenance Manual for Jet Fuel Pipeline Operations is inadequate in that the cathodic protection procedures do not identify or list the criteria used to determine if the pipeline has adequate cathodic protection, to determine if a casing is shorted, and actions to take if a shorted casing is found. We propose that Key West Pipeline Company modify its procedures to include the cathodic protection criteria used to determine that the pipeline has adequate protection and that casings are not shorted, and also establish procedures for action to take in case a shorted casings is identified on the pipeline.

3. **§195.442 requires each operator of a buried pipeline to carry out a written program to prevent damage to the pipeline by excavation activities. An operator may comply with any of the requirements of §195.442(b) through participation in a public service program, such as a one-call system, but such participation does not relieve the operator of responsibility for compliance with §195.442.**

Key West Pipeline Company is a member of Sunshine State One Call and performs the requirements of §195.442(b) through it's participation in Sunshine State One Call and through the actions of operator personnel; however, written procedures for the Damage Prevention Program have not been established as required by §195.442(a). We propose that Key West Pipeline Company establish written procedures which address how it will meet each requirement in §195.442(b), specifying what actions will be taken and, if applicable, who or what agency will perform them.

4. **§195.214, §195.216, §195.224, §195.226, §195.228, §195.230, and §195.234 identify requirements that must be adhered to when welding is done on pipelines. Specific requirements referenced are use of a qualified welding procedure, qualification of a welding procedure, miter joints, protection from weather, arc burns, repair and removal of defects and nondestructive testing.**

Your Standard Operating Procedures and Maintenance Manual for Jet Fuel Pipeline Operations is inadequate in that it does not identify your policy and requirements for welding, it does specify that the company shall obtain contractual assurances from welding contractors to comply with §195.214 through §195.234. We propose that Key West Pipeline Company modify it's welding requirements as follows:

- Per §195.214(a) require that welding be performed in accordance with qualified welding procedures, and that the procedure be qualified by destructive testing per API Standard 1104. When a qualified welding procedure is not available, Key West Pipeline Company or it's contractor will develop and qualify the procedure prior to production welding.
- Per §195.214(b) require that each qualified welding procedure be recorded in detail, including the results of the qualifying tests.
- Per §195.216 do not allow miter joints.
- Per §195.226 require that arc burns be repaired by completely removing the notch by grinding, or cutting out a cylinder of the pipe containing the entire notch if grinding reduces the remaining wall thickness to less than the tolerance in the specifications the pipe was manufactured to.
- Per §195.228(a) require that each weld and welding be inspected to insure compliance, and that visual inspection be supplemented by nondestructive testing.
- Per §195.228(b) require that the acceptability of a weld be determined according to the standard in Section 6 of API Standard 1104.
- Per §195.230 require that each weld that is unacceptable be removed or repaired, and a weld with a crack more than 8 percent of the weld length must be removed. For each weld that is repaired, its defect must be removed down to sound metal; and that after the repair, the weld must be reinspected. For repairs of previously repaired areas, or cracks, the repair must be in accordance with a qualified written welding repair procedure.
- Per §195.234 require that welding be nondestructively tested by a process that will indicate any defects that may affect the integrity of the weld, by trained personnel in accordance with a written set of procedures for nondestructive testing.

As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. § 190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. § 190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receipt of this notice.

Please refer to CPF 27605M in any correspondence of communication on this matter.

Sincerely,

Frederick A. Joyner  
Director, Southern Region  
Office of Pipeline Safety

cc: Compliance Officer, OPS Headquarters